

SUMMARY SHEET

I. **Description of Item:**

Shelby County entered into a contract with the Corvel Corporation effective July 1, 2007 to review on- the-job injury costs. Cost savings to the County on submitted charges has been over 50 per cent under this contract. Corvel receives fees based on a sliding scale of between 10 to 20 per cent of documented savings as the result of their review. It is estimated that their annual fee will be in the range of \$350,000 on savings of \$2,500,000. This resolution extends this contract with Corvel for fiscal years 2009 and 2010.

II. **Source of Funding:**

The On-the-Job Injury Fund charges all departments of County Government a premium as a percentage of salaries, and all costs of On-the-Job Injuries are paid from this fund. Payments under this contract will be from the On-the-Job Injury Fund.

III. **Contract Items:**

See I. above

IV. **Additional Information Relevant to Approval of This Item:**

The Administration recommends approval of this item.

Item No. _____

Prepared by Tom Stone

Commissioner _____

Approved by Lisa Kelly

A RESOLUTION APPROVING A CONTRACT AMENDMENT WITH CORVEL CORPORATION FOR THE REVIEW OF MEDICAL BILLS FOR ON-THE-JOB INJURIES TO DETERMINE WHETHER COSTS ARE APPROPRIATE AND WHETHER SAVINGS FOR THE COUNTY CAN BE REALIZED. PAYMENT FOR THESE SERVICES WILL BE BASED ON A PERCENTAGE OF SAVINGS TO THE COUNTY. SPONSORED BY COMMISSIONER JOE FORD.

WHEREAS, Risk Management, a section of the Department of Finance, endeavors to reduce costs for Shelby County's On-the-Job Injury program through innovative measures; and

WHEREAS, Risk Management and Purchasing put out a Request for Proposals for vendors who could analyze payments for medical care in an effort to be more economical; and

WHEREAS, CorVel Corporation was the successful bidder based on a matrix of service, cost, and experience variables set up by Purchasing; and

WHEREAS, Upon the Commission's Resolution, Shelby County Government entered into a contract with CorVel to systematically analyze and review all medical expenses in an effort to determine whether the County is taking advantage of all possible discounts and whether further cost-cutting agreements can be reached with medical service providers effective July 1, 2007 and ending June 30, 2008; and

WHEREAS, The original Agreement contained two (2) options to renew for one (1) year periods; and

WHEREAS, The parties now desire to enter into this Contract Amendment to pick up renewal options for the periods of July 1, 2008 through June 30, 2009 and July 1, 2009 through June 30, 2010; and

WHEREAS, Payment for these services will be based upon a percentage of savings as outlined in Exhibit A to the Contract Amendment which is attached hereto and incorporated by reference herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the attached Contract between Shelby County Government and CorVel Corporation for the period of July 1, 2008 through June 30, 2009 is hereby approved.

BE IT FURTHER RESOLVED, That the remaining renewal option for the period beginning July 1, 2009 and ending June 30, 2010 under the same terms is hereby approved, subject to the availability of funds.

BE IT FURTHER RESOLVED, That the Mayor and the Director of Administration and Finance are authorized to draw their warrant or warrants based on the contracted percentage of savings and to take proper credit in the accounting therefor.

BE IT FURTHER RESOLVED, That this Resolution shall take effect from and after the date it shall have been enacted according to due process of law, the public welfare requiring it.

AC Wharton, Jr.
Shelby County Mayor

DATE: _____

Adopted

ATTEST: _____